



RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FISCAL SERVICES TO REVIEW AND MAKE RECOMMENDATIONS TO AMEND SECTION 8-10.1(d), REVISED ORDINANCES OF HONOLULU 1990, AS AMENDED.

WHEREAS, Chapter 8, Article 10, Revised Ordinances of Honolulu 1990, as amended ("ROH"), provides tax exemptions to selected taxpayers or property owners, such as certain homeowners, totally disabled veterans, persons affected with leprosy, persons with impaired sight or hearing, persons totally disabled, nonprofit medical indemnity and hospital service associations, certain charitable purposes, credit unions, public service companies, non-profit organizations' thrift shops, kuleana land, and for-profit group child care centers; and

WHEREAS, Section 8-10.1(d), ROH, stipulates that the aforementioned taxpayers must report to the Department of Budget and Fiscal Services (BFS) if the relevant exemption no longer applies for one or more of the following reasons:

- The ownership of the property has changed.
- A change in the facts previously reported has occurred concerning the occupation, use or renting of the premises, buildings or other improvements thereon.
- A change in status has occurred which affects the owner's exemption.

; and

WHEREAS, Section 8-10.1(d), ROH, further stipulates that if a property owner or taxpayer fails to report the removal of the relevant existing real property tax exemption, within 30 days of the non-qualifying event, BFS must impose a penalty in the amount of \$300, along with the assessment of back taxes due on the property plus any additional penalties and interest; and

WHEREAS, the Council finds that the current 30-day reporting requirement and the resultant penalties required in Section 8-10.1(d), ROH, have been in place for over 30 years (Ordinance 80-14) and thus should be reviewed, examined and possibly updated; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it requests the Department of Budget and Fiscal Services to review and make recommendations to amend Section 8-10.1(d), Revised Ordinances of Honolulu 1990, as amended, in the interests of fair policy and with particular focus on the 30-day



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reporting requirement for individuals who cease to qualify for certain property tax exemptions; and

BE IT FURTHER RESOLVED that BFS, at minimum, report to the Council on the following:

- (1) The number of taxpayers who failed to meet the 30-day reporting deadline, by category of exemption, over the last three years; and
- (2) The average amount of penalties, interest, and back taxes paid by taxpayers in each category;

and

BE IT FURTHER RESOLVED that BFS submit its report regarding its review of and any recommended amendments to Section 8-10.1(d), ROH, to the Council no later than December 1, 2014; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director and the Director of Budget and Fiscal Services.

INTRODUCED BY:

Ann Koyanishi

DATE OF INTRODUCTION:

JUL 17 2014

Honolulu, Hawaii

Councilmembers